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UNITED STATES DEPARTMENT OF AGRICULTURE

RURAL ELECTRIFICATION ADMINISTRATION
WASHINGTON 25, D. C.

March 27, 1952

DEFENSE LETTER, NO. 1

To All REA Electrification Borrowers

Subject: Additional Controlled Materials Allotments

DPA Construction Allotment Policies

te SEP 4 - :352

ADDITIONAL CONTROLLED MATERIALS ALLOTMENTS:

Additional allotments of controlled materials for delivery during 1952 and the first two quarters of 1953 are being mailed to many borrowers. These additional allotments are based on the firm allotment to the REA program just received for the third quarter of 1952 and extension of our new advance allotment authorization based thereon through the second quarter of 1953.

The firm allotments for the third quarter are the largest percentages of stated requirements received by the REA program since the start of materials control. They represent 97.8% of stated carbon steel requirements, 81% of copper wire mill requirements, and 93.8% of aluminum requirements. The total amounts now available in comparison to amounts previously available are as follows:

Controlled Material		Previous REA Advance Allotment Authority	Current REA Allotment Authority Based on Final Third Quarter Allotments
Aluminum	3Q52 4Q52 1Q53 2Q53	9,143,716 lbs. 7,619,764 3,809,882	14,633,210 lbs. 11,706,568 10,974,908 8,779,926
Copper Wire	3Q52 4Q52 1Q53 2Q53	6,852,710 lbs. 4,894,792 2,447,396	9,725,680 lbs. 7,780,544 7,294,260 5,835,408
Carbon Steel	3Q52 4Q52 1Q53 2Q53	4,874 tons 4,062 2,031	7,447 tons 5,958 5,585 4,468

You will note that copper was cut below requirements considerably more severely than aluminum. This reflects the continued short supply of copper in contrast with the rapidly improving supply of aluminum. As indicated before, and in keeping with the recommendations of DEPA to the electric utility industry, it



is still strongly suggested that all borrowers give immediate attention to the use of aluminum wherever possible.

Attached is a copy of form ADM-125AR2 which is being used for minor requirements allotments, commencing with these additional allotments. You will note that the second quarter of 1952 has been dropped and the second quarter of 1953 added. Further, covered aluminum has been dropped, since all aluminum, bare or covered, is now handled under one classification by DPA.

DPA CONSTRUCTION ALLOTMENT POLICY

The Defense Production Administration has announced a policy concerning allotment of materials for construction that affects construction of headquarters buildings by borrowers. Excerpts from the policy announcement by Manly Fleischmann, DPA Administrator, are quoted below (underscoring supplied for emphasis):

"DPA has just completed a study of the material requirements of the military and industrial expansion programs for the balance of the year. It appears that the heavy requirements of the industrial expansion program will reach a peak in the second quarter of this year and will thereafter decline. Accordingly, there will be more materials, particularly structural steel, available in the third and fourth quarters for less essential industrial projects, commercial buildings such as office buildings, stores, etc., and for public works construction, including highways, schools and hospitals.

"Because of the long lead-time required for the planning and engineering of construction projects, we are making the announcement of the availability of materials at the present time, even though the exact amounts available cannot be precisely stated. I hope that individuals and companies interested in the construction of projects will now begin active planning work on such projects and file CMP applications for materials for the third and fourth quarters. A substantial number of new starts will be authorized for the third quarter, and materials will be allocated for that quarter. Permits to commence construction will be granted for an additional number of projects, and if materials are not available for the third quarter, advance allotments for the fourth quarter will be granted at the present time so as to permit complete assurance that the project can be carried on.

"It is my belief that by the fourth quarter of this year we will be able to resume something close to normal rates of construction in the commercial field but, because copper is likely to replace structural steel as the principal limiting factor on new construction, we are urging builders and architects to continue maximum conservation of that material, and we will naturally have to give preferential consideration to projects which use a minimum of scarce materials."

Borrowers' headquarters buildings are classed as "commercial" construction. Consequently, we recommend that every borrower which has previously been denied NPA approval of proposed headquarters building construction submit a current application to NPA. Contact your nearest NPA Field Office for details of Revised CMP Regulation No. 6 which is applicable.

1.	SPECIAL CONDITIONS Name and idress	I hereby authorize the allotments of Controlled Materials for the construction, in the amounts and according to the conditions, both special and general, indicated on this form. Claude R. Wickard ADMINISTRATOR DATE 2. SYSTEM DESIGNATION								
	L	3. SERIAL NO.								
FOLD HERE 4. LAST PREVIOUS SERIAL NO. FOLD HERE										
AUTHORIZATION AND REPORT OF DISPOSITION OF ALLOTMENT FOR 2nd, 3rd, 4th QUARTER 1952 AND 1st, 2nd QUARTER 1953										
TYPE	CONTROLLED MATERIALS	CODE	LINI	2ND QUARTER	3RD QUARTER	4TH QUARTER	1ST QUARTER	2ND QUARTER		
(a)	1. CUMULATIVE ALLOTMENT	(c)	(d)	(e)	(f)	(g)	(h)	(i)		
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	3. ALLOTMENT RETURNED HEREWITH									
					ERTIFICATION					
	The undersigned borrower and the official executing this certification on its behalf hereby certify that the disposition of allotments herein is correct and complete to the best of their knowledge									

SIGNATURE OF AUTHORIZED OFFICIAL *Includes Guy and Static Wire **Particularly note Instructions I and V (a) thru (f) on Reverse Side

RURAL ELECTRIFICATION ADMINISTRATION

Budget Bureau No. 40-82345

AUTHORIZATION AND REPORT OF DISPOSITION OF CONTROLLED MATERIALS ALLOTMENTS FOR MINOR REQUIREMENTS FOR 2nd, 3rd, 4th, QUARTER 1952 AND 1st, 2nd QUARTER 1953

IMPORTANT - Complete the form and return one copy to REA within 30 days of authorization.

To: U.S. DEPARTMENT OF AGRICULTURE, REA, WASHINGTON 25, D.C. Attention:

DIVISION

AUTHORIZED CONSTRUCTION SCHEDULES

THE REQUIRED MRO AND MINOR PLANT ADDITIONS FOR WHICH FUNDS HAVE BEEN APPROVED BY REA, AND WHICH WILL BE CONSTRUCTED IN ACCORDANCE WITH ESTABLISHED REA PROCEDURE, CONSTITUTE THE AUTHORIZED CONSTRUCTION SCHEDULES FOR MINOR REQUIREMENTS.

REMARKS: (For use by Borrower when returning allotment)

AUTHORIZATIONS AND INSTRUCTIONS

- I. All allotments are cumulative for each quarter and each controlled material. Each allotment is the sum of the present additional amount, plus all previous allotments, less portions thereof returned to REA as of this date.
- II. The construction schedules indicated above are hereby authorized and are hereafter referred to as "authorized construction schedules."
- III. You are hereby authorized
 - a. To order, or extend to your contractors authorization to order, controlled materials and Class A products for delivery in the quarters and not to exceed the amounts of controlled materials specified on the reverse side and you may apply allotment symbols and CMP ratings to such orders;
 - b. To order, or extend to your contractors authorization to order, other than controlled materials necessary for use in connection with the authorized construction schedules and you may apply CMP ratings to such orders:
 - c. To continue or commence construction of and to use all materials on hand for the authorized construction schedules;
- IV. Controlled material contained in Class A products is included in your authorization.
- V. These authorizations are subject to special conditions noted, on the reverse side, and to the following:
 - a. Allotments for material authorized herein should be extended and CMP symbols applied thereto within 30 days after the date hereof.
 - b. Report disposition of allotments on one carbon copy of this form to the Engineering or Power Division within 30 days after the date hereof. The amount of the allotment not needed should be returned for re-authorization for other construction.
 - c. Report cumulatively the amounts extended on line 2. This must be the total amount of your allotment extended for each controlled material for each quarter as of the date you complete this report.
 - d. Report allotments returned herewith on line 3. This must be the actual (incremental) amount of an allotment for a specific quarter and controlled material which is being returned to REA on this report. It must not include any previous returns of an allotment.
 - e. If the entire allotment cannot be extended within 30 days but it is anticipated that upon completion of specifications or of award of contracts or placement of orders that the allotment can be extended, report the amount extended within 30 days with an explanation regarding that not extended but which is being held. The balance not extended and not returned on the initial report should be reported upon as soon as possible and at least within 60 days after the date hereof.
 - f. Every allotment must be fully accounted for. All special cases should be taken up immediately with the Section Engineer or the Power Division.
 - g. Authorization of a construction schedule does not involve any commitment by REA to make any allotment or authorization of CMP symbols for material beyond the authorizations contained herein.
 - h. The allotments of and authorizations of CMP symbols for materials contained herein do not involve any commitment by REA to give additional authorizations for materials in other quarters or for other construction.
 - i. No authorization contained herein involves any commitment by REA to procure materials authorized herein.
 - j. No borrower may receive any material which would cause him to exceed his permissible inventory.
- VI. Records shall be maintained, as required by CMP Reg. 6 and NPA Order M-50, for construction showing allotments extended and deliveries received pursuant to authorizations contained herein. A report of such construction will be required at the end of each quarter on a form to be provided. These reporting and record keeping requirements have been approved by the Bureau of the Budget in accordance with Federal Reports Act (P.). 831, 77th Congress, TO3C).
- VII. All correspondence and inquiries concerning authorizations contained herein should be addressed to the Engineering or Power Division, REA, Department of Agriculture, Washington 25, D. C.
- VIII. This action is taken pursuant to Section 101 of the Defense Production Act of 1950, as amended, CMP Reg. 6, NPA Order M-50, and the subdelegation to the Administrator of REA by the Administrator of DEPA, of the right to exercise the powers and functions insofar as concerns REA electrification borrowers, which are vested in DEPA by NPA Order M-50.